

A business process engineering project to address several gaps related to ineffective contract management on large engineering projects in the following areas: developing contractor's scope of work and deliverables, defining contractor selection criteria, contract development, and performing contract management for a large natural gas utility based in Atlanta, Georgia.

## Overview

- Develop a "100% performance-based contracts" business process and policy providing specific job aids as a guide to review contract deliverables and assist in determining if those deliverables are performance-based
- Develop a contract administration plan framework to specify the performance outputs of the statement of work and describe the methodology to conduct inspections
- Establish a quality assurance (QA) surveillance plan to provide a systematic structured method to evaluate services and products contractors are required to furnish.

## Approach

- Identify gaps, constraints, dependencies, priorities, and issues / risks across impacted organizations (based on quantitative and qualitative data)
- Determine technical capabilities and challenges and potential impacts to the business
- Develop and execute communication plan to ensure key stakeholders are kept abreast of latest developments
- Benchmark current industry standards and best practices related to performance-based contract administration and management
- Develop future-state processes utilizing Lean Six Sigma principles
- Develop action plans required to move business processes from current-state to future-state
- Provide detailed improvement recommendations and worked with key stakeholders to develop action plans for implementation
- Schedule and facilitate change management "workout" sessions with key stakeholders and executive leadership team members
- Establish a centralized project artifact repository (SharePoint site) to store all documentation

## Participants

- EVP, Engineering & Operations
- Vice Presidents (3): Engineering & Supply Chain, Operations, Midstream Services
- Managing Director, Supply Chain
- Directors (2): Office of Corporate Engineering and Supply Chain
- Lead Corporate Counsel

## Results

- Refined current-state Engineering Management Lifecycle Process
- Developed end-to-end, future-state Contract Administration Process
- Developed end-to-end, future-state Supplier Performance Management Process
- Benchmarked industry best practices and mapped guiding principles to specific process areas requiring improvement
- Facilitated alignment meetings with executive leadership team members to review recommendations, establish required executive sponsorship and assign process owners
- Facilitated key stakeholder change management "workout" sessions to review recommendations and develop detailed action plans for implementing improvements